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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

OF

TOWNE LAKE TRADITIONAL HOMES

RETURN TO: *EMW.*

LAND TITLE, INC.
SUITE 200
1900 SILVER LAKE ROAD
NEW BRIGHTON, MN 55112
FILE NO. *MR 207769*

This Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements (the "Declaration") is made and executed, effective on its date of recording, by Contractor Property Developers Company, a Minnesota corporation (the "Developer") with the written approval of the Master Board (as defined herein) and Owners (as defined herein) who have the authority to cast at least sixty-seven percent of the total votes of the Association (as defined herein).

WITNESSETH

WHEREAS, Developer, and the other Owner consenting to this Declaration, are the owners of certain real property located in Wright County, Minnesota, legally described in Exhibit A attached hereto (the "Property"); and

WHEREAS, Developer has the option to add the real property legally described on Exhibit B attached hereto (the "Additional Property") to the Property; and

WHEREAS, Developer has caused to be executed, and recorded against the Property in the office of the Wright County Recorder, a certain Declaration of Covenants, Conditions, Restrictions and Easements, as Document No. 791008 (the "Original Declaration"); and

WHEREAS, the Original Declaration established a general plan of development and improvement for the Property, and any Additional Property annexed thereto, as a single family residential community; and

WHEREAS, the Property is not subject to the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 51 SB ("MCIOA"), by reason of the exemption contained in Section 515B.1-102(e)(2) of MCIOA; and

WHEREAS, the Property and the Association are subject to the Master Governing Documents of Towne Lakes, and to the jurisdiction of Towne Lakes Community Association, a master association as defined in Section 515B.2-121 of MCIOA; and

WHEREAS, it is intended that the Master Association shall exercise certain powers on behalf of the Association, as described in the Master Declaration; and

WHEREAS, Developer desires to amend and restate in its entirety the Original Declaration, and to provide for the administration of certain services for the Property; the enforcement of the covenants, conditions and restrictions contained in this Declaration; and the preservation of the value, amenities and architectural character of the Property; and the delegation of all powers of the Association to the Master Association (as defined herein); and to this end wishes to subject the Property to this Declaration.

THEREFORE, Developer makes this Declaration and submits the Property to this Declaration as a residential community under the name Towne Lake Traditional Homes, consisting of the Units referred to in Section 3, declaring (i) that this Declaration shall constitute covenants to run with the Property, (ii) that the Property, and all real estate added thereto, shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein and in the Master Declaration, all of which shall run with the land and be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns, and (iii) that this Declaration shall revoke, replace and supercede in its entirety the Original Declaration.

SECTION 1

DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.1 "Act" means the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A, as amended.

1.2 "Additional Property*" means the real property described in Exhibit B attached hereto, and all improvements located thereon, now or in the future, which Additional Property the Developer has the unilateral right to add to the Property.

1.3 "Architectural Review Committee" or "A.R.C." means that permanent committee of the Association which makes determinations concerning architectural standards for the Property as provided in Section 9 of this Declaration.

1.4 "Assessment" means an Assessment levied by the Association pursuant to the Governing Documents.

1.5 "Association" means Towne Lake Traditional Homes Homeowners' Association Homeowners Association, a Minnesota nonprofit corporation created pursuant to Minnesota Statutes Chapter 317A, whose members consist of all Owners.

1.6 "Auxiliary Dwelling" means a separate building other than a Dwelling, located within a Unit and meeting the requirements established in the Master Declaration.

1.7 "Board" means the Board of Directors of the Association as provided for in the Bylaws.

1.8 "Bylaws" means the Bylaws governing the operation of the Association, as amended from time to time.

1.9 "City" means the City of Albertville, Minnesota.

1.10 "Common Elements" means any parts of the Property except the Units, including all Improvements thereon, owned by the Association for the common benefit of the Owners and Occupants. As of the date of recording this Declaration there are no Common Elements, but Common Elements may be added pursuant to Section 2.2 of this Declaration.

1.11 "Common Expenses" means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including Assessments and items otherwise identified as Common Expenses in the Declaration or Bylaws.

1.12 "Developer Control Period" means the time period during which Developer has the exclusive right to appoint the members of the Board, as provided in Section 16 of this Declaration.

1.13 "Developer Rights" means those exclusive rights reserved to Developer as described in Section 16.

1.14 "Development Area" means all real estate subject to development by the Master Developer as part of Towne Lakes, as described in the Master Declaration.

1.15 "Dwelling" means a building consisting of one or more floors, designed and intended for occupancy as a detached, single family residence, and located within the

boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

1.16 "Governing Documents" means this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.17 "Improvement" means any physical improvement of any kind, or any design or color change to any part of the Property, including without limitation any building, wall, fence, sign, enclosure, screening, utilities system, communications system, irrigation or drainage system, pond, roadway, trail, planting, landscaping, or any other type of structure, physical improvement or change.

1.18 "Master Architectural Review Committee" or "Master A.R.C." means the committee of the Master Association which makes determinations concerning certain architectural standards for the Property as provided in Section 8 of the Master Declaration.

1.19 "Master Association" means Towne Lakes Community Association, a nonprofit corporation created pursuant to Minnesota Statutes Chapter 317A and Section 515B.2-121 of MCIOA, and its successors and assigns. The Master Association is a "master association" as defined in MCIOA.

1.20 "Master Board" means the board of directors of the Master Association, which is the governing body of the Master Association.

1.21 "Master Declaration" means the Amended and Restated Master Declaration of Towne Lakes, which is recorded in the office of the Wright County Recorder as Document No. _____, as amended or supplemented from time to time.

1.22 "Master Developer" means the Master Developer as defined in the Master Declaration, and its successors and assigns.

1.23 "Master Developer Control Period" means and refer to the Master Developer Control Period described in the Master Declaration.

1.24 "Master Developer Rights" means the exclusive rights reserved to the Master Developer to control the Master Association and complete the development of the Development Area, as described in the Master Declaration.

1.25 "Master Governing Documents" means the Master Declaration, and the Articles of Incorporation and Bylaws of the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.26 "Master Rules" means the Rules of the Master Association, as approved from time to time by the Master Board.

1.27 "MCIOA" means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended.

1.28 "Member" means all persons who are members of the Association by virtue of being Owners. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.

1.29 "Occupant" means any person or persons, other than an Owner, in possession of or residing in a Unit.

1.30 "Owner" means a Person who owns a Unit, but excluding contract for deed vendors, mortgagees and other parties holding a security interest in a Unit, and Persons holding a remainder interest in a life estate. The term "Owner" includes, without limitation, contract for deed vendees and holders of life estates.

1.31 "Person" means a natural individual, corporation, limited liability company, partnership, limited liability partnership, trustee, or other legal entity capable of holding title to real property.

1.32 "Plat" means the recorded plat or part thereof depicting the Property pursuant to the requirements of Minnesota Statutes Chapter 505,508 or 508A, as applicable, including any amended Plat or replat recorded from time to time.

1.33 "Property" means all of the real property now or hereafter subjected to this Declaration, including the Dwellings and all other structures and improvements located thereon now or in the future. The Property is legally described in Exhibit A attached hereto.

1.34 "Rules" means the Rules of the Association as approved from time to time pursuant to Section 6.

1.35 "Shoreline Conservation Easement" means the easement described in Section 13.1.

1.36 "Shoreline Conversation Easement Monuments" means the permanent monuments marking the Shoreline Conservation Easement Area.

1.37 "Unit" means any platted lot subject to this Declaration upon which a Dwelling is located or intended to be located, as described in Section 3.1 and shown on the Plat, including all improvements thereon, but excluding Common Elements (if any).

Terms defined in the Master Declaration, and not in this Section, shall have the meaning set forth in the Master Declaration.

SECTION 2

PROPERTY

2.1 Property. The Property subject to this Declaration is described in Exhibit A attached hereto. Exhibit A may be amended from time to time to include other property, as authorized by Sections 2.2 and 2.3.

2.2 Annexation of Additional Property. The Developer may, but is not obligated to, subject all or any part of the Additional Property described in Exhibit B to this Declaration as part of the Property; provided the Master Developer subjects the same Additional Property to the Master Declaration. This right shall be exercised by the Developer in accordance with the provisions of Section 17 of this Declaration. Any property so annexed may be designated as Common Elements or Units.

2.3 Annexation of Other Property. In addition to the Additional Property, other real property may be annexed to the Property and subjected to this Declaration provided said property is subjected to the Master Declaration and prior approval is granted by (i) Owners (other than Developer) of Units to which are allocated at least 67% of the votes in the Association, (ii) Developer so long as Developer owns any unsold Unit for sale, (iii) the Master Board, and (iv) Master Developer, so long as Master Developer owns any unsold Unit for sale or has the right to add additional real estate. Any property so annexed may be designated as Common Elements, or Units. The Governing Documents and the Master Governing Documents shall be amended, as necessary, to subject the property to this Declaration and the Master Declaration, and to reallocate Common Expense obligations, Master Common Expense obligations, voting rights and memberships, and the amendments to the Declaration and Master Declaration shall be recorded.

2.4 Dedication and Deannexation of Property. Portions of the Property may be deannexed and withdrawn from this Declaration subject to the following requirements: (i) the Property shall be owned by the Developer, (ii) the deannexation shall be approved by the Developer and the Board, and (iii) an amendment to this Declaration describing the deannexation and the parcel being deannexed shall be executed by the Developer and Association, consented to by any mortgagee of the deannexed parcel, and recorded. The Association shall also have the power to dedicate or convey reasonable portions of the Property owned by it to any governmental or private Person for private or public purposes, subject to the written consent of (i) the City, and (ii) Master Developer and Developer so long as each owns an unsold Unit for sale or has the right to add additional property. The portion of the Property which is deannexed shall be automatically released from this Declaration, effective upon the recording of an instrument evidencing such dedication or conveyance; provided that such instrument shall reference this Declaration and the authority contained in this Section.

2.5 Interest Subject to Plan of Development. Every Owner and any secured party or other Person holding or acquiring an interest in a Unit, shall take title or hold such interest

subject to the Developer's rights pursuant to this Declaration. Notwithstanding anything to the contrary in this Declaration, the Developer's rights or obligations under the Governing Documents may not be changed in whole or in part without the prior written consent of the Developer, which consent may be granted or denied in the Developer's sole and absolute discretion.

SECTION 3

DESCRIPTION OF UNITS

3.1 Units. There are forty-three Units, all of which are restricted to residential use. Each Unit constitutes a separate parcel of real estate. The locations of the Units are as shown on the Plat, which is incorporated herein by reference, and the legal descriptions of the Units are set forth on Exhibit D attached hereto.

3.2 Unit Boundaries. The front, rear and side boundaries of each Unit are the boundary lines of the platted lot upon which the Dwelling is located or intended to be located as shown on the Plat. The Units have no upper or lower boundaries. All spaces, walls, and other Improvements within the boundaries of a Unit are a part of the Unit

SECTION 4

COMMON ELEMENTS

4.1 Common Elements. Common Elements and their characteristics shall be as follows:

4.1.1 All parts of the Property except the Units constitute Common Elements. Any Common Elements are owned by the Association for the benefit of the Owners and Occupants.

4.1.2 Any Common Elements are subject to (i) easements as described in this Declaration and the Master Governing Documents and (ii) the right of the Association to establish reasonable Rules governing the use of the Property.

4.1.3 Except as otherwise expressly provided in the Governing Documents or the Master Governing Documents, or as agreed in writing between the Association and the Master Association, all maintenance, repair, replacement, management and operation of any Common Elements shall be the responsibility of the Association.

4.1.4 Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 5.

SECTION 5

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association, shall be governed by the following provisions:

5.1 Membership. Each Owner is a member of the Association by reason of Unit ownership, and the membership is automatically transferred with the conveyance of the Owner's title to the Unit. An Owner's membership terminates when the Owner's Unit ownership terminates. When more than one Person is an Owner of a Unit, all such Persons are members of the Association, but multiple ownership of a Unit does not increase the voting rights allocated to the Unit nor authorize the division of the voting rights.

5.2 Voting and Common Expenses. Each Unit is assigned one vote. Common Expense obligations are allocated equally among the Units, subject to the qualifications set forth in Section 7. Such rights and obligations are reallocated on the same basis as other Units are annexed to the Property.

5.3 Appurtenant Rights and Obligations. The ownership of a Unit includes the voting rights and Common Expense obligations described in Section 5.2. Said rights and obligations, and the title to the Units, cannot be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Unit, separate from the title to the Unit is void. The allocation of the rights and obligations described in this Section may not be changed, except in accordance with the Governing Documents and the Master Governing Documents.

5.4 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Unit at meetings of the Association. However, if there are multiple Owners of a Unit, only the Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in Section 3 of the Bylaws.

5.5 Membership in Master Association. The Association is a member of the Master Association, as described in the Master Governing Documents. Membership in the Master Association is governed by the following qualifications:

5.5.1 The Association has one membership in the Master Association, subject to the qualifications set forth in this Section 5.5. The Association's membership terminates when the Association is no longer subject to the Master Governing Documents.

5.5.2 The Property and any real property annexed thereto pursuant to Section 2.2 or 2.3 constitutes all or part of a Neighborhood.

5.5.3 Rights with respect to the Association's membership in the Master Association are exercised by the Board, and the members of the Master Board appointed by the Board, on behalf of the Owners.

5.5.4 Except as expressly provided in the Master Declaration, the Association's membership in the Master Association is appurtenant to and may not be separated from the Association, and is automatically transferred to any successor entity.

5.5.5 No Person holding a security interest in any part of the Property is a member of the Master Association solely by reason of such interest.

5.6 Representation on Master Board. The Association shall be represented on the Master Board as provided in the Bylaws and the Master Governing Documents.

SECTION 6

ADMINISTRATION

The administration and operation of the Association and the Property, including but not limited to the acts required of the Association, shall be governed by the following provisions:

6.1 General. The operation and administration of the Association and the Property are governed by the Master Governing Documents, the Master Rules, the Governing Documents and the Rules. Subject to Section 6.2, the Association is responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents and the Act. All powers exercisable by the Association are vested in the Board, unless action or approval by the Owners is specifically required by the Governing Documents or the Act. All references to the Association mean the Association acting through the Board unless specifically stated to the contrary.

6.2 Powers of Master Association. All powers of the Association are delegated to and shall be exercised by the Master Association provided such delegated power, obligation or right is accepted by approval of the Master Board on behalf of the Master Association and as otherwise required in Section 3.1.7 of the Master Declaration. Any powers relinquished by the Master Association to the Association in accordance with Section 8.1 of the Master Bylaws or reserved to the Association or the Board in Section 6 of the Bylaws shall be exercised by the Association.

The directors elected to the Master Board by the Board shall act as liaisons between the Master Association and the Association, and shall cooperate to insure that decisions of the Master Board are properly communicated to the Owners and Occupants, and implemented.

6.3 Operational Purposes. The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the Governing Documents, (ii) maintaining, repairing and replacing those parts of the Property and other improvements (if any) for which the Association is responsible pursuant to Section 10 and (iii) preserving the value and architectural character of the Property.

6.4 Binding Effect of Actions. All agreements and determinations made by the Association in accordance with the Governing Documents and Master Governing Documents shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties.

6.5 Bylaws. The Association shall have Bylaws. The Bylaws govern the operation and administration of the Association, and are binding on all Owners, Occupants and other Persons owning or acquiring any interest in the Property.

6.6 Management. The Master Board has authority to select a manager or managing agent and to delegate the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act. However, such delegation does not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and the Act.

6.7 Rules. The Board has authority to approve and implement such reasonable Rules as deemed necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property. The Rules shall be consistent with the Governing Documents, the Master Governing Documents and the Master Rules. The inclusion in other parts of the Governing Documents of authority to approve Rules is in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules are effective only after reasonable notice thereof has been given to the Owners.

6.8 Association Assets: Surplus Funds. All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future assessments or added to reserves, as determined by the Board.

SECTION 7

ASSESSMENTS

7.1 General. Assessments shall be assessed and levied against the Units subject to the requirements and procedures set forth in this Section 7, the Master Governing Documents and the Bylaws. Assessments shall include annual Assessments under Section 7.2, and may include special Assessments under Section 7.3 and limited Assessments under Section 7.4. Annual and special Assessments shall be allocated among the Units equally, in accordance

with the allocation formula set forth in Section 5.2; provided, that the Board may allocate a reduced share of an annual or special assessment against those Units which are unimproved or unoccupied to reflect reduced services received from the Association or Master Association. Limited Assessments under Section 7.4 are allocated to Units as set forth in that Section. Master Assessments shall be levied against the Units by the Association as a part of the Association's annual Assessments, or as a special Assessment, as applicable.

7.2 Annual Assessments. Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each annual Assessment shall cover all of the anticipated Common Expenses of the Association, and the Association's share of Master Assessments for that year, which are to be shared equally by all Units in accordance with the allocation set forth in Section 5.2. Annual Assessments shall be payable in equal monthly, quarterly or annual installments, as directed by the Board.

7.3 Special Assessments. In addition to annual Assessments, and subject to the limitations set forth hereafter, the Board may levy in any Assessment year a special Assessment against all Units equally in accordance with the allocation formula set forth in Section 5.2, and for the purposes described in the Master Declaration and this Declaration. Among other things, special Assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Common Expense. Any Master Special Assessment or Neighborhood Assessment shall be levied against the Units promptly following the levy by the Master Association.

7.4 Limited Assessments. In addition to annual Assessments and special Assessments, the Board may, at its discretion, levy and allocate limited Assessments among only certain Units in accordance with the following requirements and procedures:

7.4.1 Any Common Expense or portion thereof benefiting fewer than all of the Units may be assessed exclusively against the Unit or Units benefited.

7.4.2 The costs of insurance may be assessed equally, in proportion to the square footage, value or actual cost per Unit; the costs of utilities may be assessed in proportion to usage; and fees for the use of common amenities (if any) may be assessed equally or in proportion to use.

7.4.3 Reasonable attorneys' fees and other costs incurred by the Association in connection with (i) the collection of Assessments and (ii) the enforcement of the Governing Documents, the Act and the Rules, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.

7.4.4 Late charges, fines and interest may be assessed as provided in Section 14.

7.4.5 Assessments levied to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to those Units' Common Expense liabilities.

7.4.6 If any damage to the Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.

7.4.7 If any Assessment or installment of an Assessment becomes more than thirty days past due, then the Association may, upon ten days written notice to the Owner, declare the entire amount of the Assessment immediately due and payable in full.

7.4.8 If Common Expense liabilities are reallocated for any purpose, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Assessments levied under Sections 7.4.1 through 7.4.6 may, at the Board's discretion, be assessed as a part of, or in addition to, other Assessments levied under this Section 7.

7.5 Liability of Owners for Assessments/Developer Exemption. Subject to Section 7.5.3, the obligation of an Owner to pay Assessments is as follows:

7.5.1 The Owner at the time an Assessment is payable with respect to that Owner's Unit is personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit.

7.5.2 The Owner's liability is absolute and unconditional, unless otherwise modified by law or this Declaration. Except as provided in Section 7.5.3, no Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Master Association, the Association or their officers, directors or agents, or for their failure to fulfill any duties under the Master Governing Documents, the Governing Documents or the Act.

7.5.3 The Developer and the Master Developer, and any Unit owned by either of them, are exempt from Assessments and Assessment liens until a certificate of occupancy (or similar approval) has been issued with respect to a Dwelling located in such Unit by the City.

7.6 Assessment Lien. Subject to Section 7.5, the Association has a lien on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an

Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association are liens, and are enforceable as Assessments, under this Section 7. Recording of the Declaration constitutes record notice and perfection of any lien under this Section 7, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

7.7 Foreclosure of Lien: Remedies. A lien for Assessments may be foreclosed against a Unit under the laws of the state of Minnesota (i) by action, or (ii) by advertisement in substantially the same manner as a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Owner and any other Person claiming an interest in the Unit, by the acceptance or assertion of any interest in the Unit, grants to the Association a power of sale and full authority to accomplish the foreclosure by advertisement. The Association shall, in addition to its other remedies, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any Assessment or charge against the Unit.

7.8 Lien Priority: Foreclosure. Alien under this Section 7 is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. The holder of a first mortgage on a Unit which acquires title to the Unit by foreclosure or a deed in lieu of foreclosure shall take title to the Unit free and clear of all Assessment liens encumbering the Unit and Assessments payable in the period prior to the acquisition of title to the Unit by the mortgage holder. At such time as the first mortgage holder takes title to the Unit, it shall be obligated to pay Assessments levied against the Unit and payable during the period when it holds title to the Unit.

7.9 Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit the buyer shall not be personally liable for any unpaid Assessments or other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Unit until released or satisfied. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, the seller and the buyer.

SECTION 8

RESTRICTIONS ON USE OF PROPERTY

All Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Master Governing Documents or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

8.1 General. The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents, as amended from time to time. All covenants, restrictions and obligations set forth in the Master Governing Documents, including but not limited to the Use Restrictions set forth in Section 7 of the Master Declaration, and the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

8.2 Residential Use. The Property is designed and intended exclusively as a residential area. Except as provided in Section 8.5, the Units shall be used by Owners and Occupants and their guests exclusively as private, single family residential Dwellings, and not for transient, hotel, commercial, business or other nonresidential purposes; subject to the respective Neighborhood Governing Documents, and to applicable governmental laws, regulations and ordinances.

8.3 Architectural Restrictions. All Improvements or other physical changes to the Property shall be made in compliance with the architectural standards and procedures set forth in Section 9.

8.4 Subdivision Prohibited. No part of the Common Elements may be subdivided or partitioned without the prior written approval of the Board, any governmental authorities having jurisdiction over the Property, and any secured parties holding first mortgages on any Units affected. The dedication or de-annexation of a portion of the Property pursuant to Section 2 shall not be deemed a subdivision or partition.

8.5 Permitted Business Activities. Notwithstanding anything to the contrary in the Governing Documents, the following business activities shall be permitted:

8.5.1 An Owner or Occupant residing in a Dwelling may maintain a home occupation in the Dwelling, or an Auxiliary Dwelling located within the same Unit, and handle matters relating to such home occupation by telephone or correspondence therefrom; provided, that such uses (i) are incidental to the residential use; (ii) do not involve physical alteration of the Dwelling or Auxiliary Dwelling visible from the exterior; (iii) are in compliance with all governmental laws, ordinances and regulations;

and (iv) do not involve any observable business activity such as signs, advertising displays, frequent deliveries, or disturbing pedestrian or vehicular traffic to and from the Dwelling or Auxiliary Dwelling by customers, vendors or employees.

8.5.2 An Owner or a Occupant residing in a Dwelling may maintain a licensed daycare center within the Unit provided that such use (i) is incidental to the residential use; and (ii) is in compliance with all governmental laws, ordinances and regulations; and (iii) does not involve any observable signs, advertising displays, frequent deliveries, or disturbing pedestrian or vehicular traffic to and from the Dwelling or Auxiliary Dwelling.

8.5.3 The Association may maintain offices and other facilities on the Property for management and related purposes.

8.5.4 The Master Developer, Neighborhood Declarants and Neighborhood Developers, and builders authorized by them, may maintain offices, model homes and other related facilities on the Property in connection with the exercise of their rights under the Master Governing Documents or the Governing Documents.

8.6 Leasing. Leasing of Units shall be allowed, subject to the following conditions: (i) that no Unit shall be leased for transient or hotel purposes, (ii) that no Unit may be subleased, (iii) that all leases shall be in writing, (iv) that all leases shall provide that they are subordinate and subject to the provisions of the Master Governing Documents, the Master Rules, the Governing Documents and the Rules and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Association may impose such reasonable Rules as may be necessary to implement procedures for the leasing of Units, consistent with this Section.

8.7 Delegation of Use. An Owner may delegate, in accordance with the Governing Documents the Owner's right of use and enjoyment of the Unit to persons living in the Unit pursuant to a legal right of possession; provided, that such persons shall be subject to the provisions of the Master Governing Documents, the Master Rules, the Governing Documents and the Rules. If lessees, or other persons other than the Owner or the Owner's family, have been given the legal right to possess the Owner's Unit, then those persons shall have the right to use any common recreational facilities and other amenities on the Property or any bordering lakes in lieu of the Owner and the Owner's family.

8.8 Pets. Only dogs, cats, small birds, fish, rabbits and other animals generally recognized as domestic household pets (collectively referred to as "pets") may be kept on the Property, subject to the conditions set forth in this Section.

8.8.1 Pets shall be kept solely as domestic household pets and/or as statutorily authorized "service animals" used by handicapped persons, and not for any other purpose. No animal shall be raised or bred, or kept for business or commercial purposes, by any Person upon any part of the Property.

8.8.2 No pet shall be allowed to make an unreasonable amount of noise, nor to become a nuisance or a threat to the safety of others.

8.8.3 No structure, fence or enclosure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Property unless approved by the A.R.C. Chain link fencing is prohibited unless completely screened from public view and approved in accordance with Section 9.

8.8.4 Pets shall be under control at all times when walked or exercised on the Property.

8.8.5 Rules may be adopted to regulate pets, or to restrict, prohibit or remove pets which engage in dangerous or disturbing behavior.

8.8.6 The Board shall have authority, following a hearing, to determine in its sole and absolute discretion whether a particular pet should be expelled from the Property based upon the pet's behavior or the failure of the pet's owner to comply with this Section 8, or other restrictions contained in the Rules or the applicable City Ordinances.

8.8.7 Owners and Occupants shall be liable for the cost of repair of any damage to the Property, or any personal injury, caused by pets kept by them.

8.9 Parking/Vehicles/Personal Property. Vehicles of any type owned or used by Owners or Occupants shall only be parked or kept within the Owner's Unit, subject to the provisions of this Section. Garages shall not be used for storage or other purposes so that they become unavailable for parking vehicles and keeping incidental personal property. No Person shall perform maintenance, repairer restoration work on any vehicle on the Property except on their own vehicles, and then only (i) within garages, or (ii) for emergency repairs. Notwithstanding anything to the contrary in this Section, commercial vehicles shall not be parked or stored on the Property, except (i) on a temporary basis in connection with construction work on a Unit or deliveries, and (ii) one pickup truck or one utility van regularly used in the Occupant's business or employment. Except as expressly permitted in this Section 8.9, outside storage and parking of passenger vehicles, trucks, trailers, watercraft, recreational vehicles and all other kinds of personal property is prohibited.

8.10 Temporary Structures. No structure or other Improvement of a temporary character such as, but not limited, to manufactured housing, shacks, sheds, or accessory buildings or structures, shall be erected, kept or maintained on the Property, except two pieces of playground equipment (one of which may be a playhouse) or except as otherwise authorized pursuant to Section 9. The restrictions in this subsection 8.10 shall not apply to structures authorized or used by Master Developer, Neighborhood Declarants or Neighborhood Developers in connection with the development, construction or sale of Units.

8.11 Docks. No boat dock, or other dock or pier, boat lift, or boat awning shall be constructed or otherwise located on School Lake, Mud Lake, or any pond or wetland except those Piers permitted by the City and maintained by the Master Association pursuant to Section 6.2.1 herein.

8.12 Motorized Watercraft. No motorized watercraft shall be operated, moored, stored or otherwise used on School Lake or Mud Lake by any Owner, Occupant or invitee of any Owner or Occupant.

8.13 Outside Lighting. The location, size, color and design of all lighting fixtures or similar equipment used outside of a Dwelling or other structure shall be approved pursuant to Section 8 of the Master Declaration or Section 9 herein. The A.R.C. shall establish standards for all exterior lighting, whether temporary or permanent, within the Property.

8.14 Signs. No sign or comparable device of any kind shall be placed, erected or maintained on the Property except (i) one customary unlighted 'For Sale*' or 'For Rent*' sign per Unit (except corner Units shall be permitted one such sign per side of the Unit that fronts on a street) of not more than eight square feet advertising the Unit for sale or rent, (ii) within 45 days prior to an election date, two unlighted political signs of not more than eight square feet per sign, (iii) not more than twice per year, and limited to five days each time, not more than two signs, each of not more than eight square feet, advertising a yard sale, (iv) signs placed by the Master Developer, a Declarant, a Developer or a builder to advertise the Property, Units or Dwellings during the construction and sales period, and (v) the permanent entrance signs and monuments erected by the Master Developer, Developer, or Declarant to identify the Property.

8.15 Antennae. The erection or modification of antennae and other communications, transmission or reception devices on a Unit shall be governed by the following provisions:

8.15.1 A single dish antenna one meter or less in diameter for the purpose of receiving direct broadcast/satellite service or video programming services may be installed within a Unit. The installation shall be subject to all governmental laws, codes and ordinances. The Unit Owner shall be responsible for all maintenance and repair of the antenna, and any special maintenance or repair to the Unit which arises out of the installation or existence of the antenna.

8.15.2 The single dish antenna shall be installed so as to minimize its visibility and otherwise camouflage its appearance, and so as not to impose a greater maintenance burden on the Association, or damage any Unit.; unless such requirements would unreasonably delay installation, unreasonably increase the cost of installation, maintenance or use of the antenna, or prevent reception of an acceptable quality signal.

8.15.3 The Board shall have authority to impose further, reasonable requirements concerning the installation of antenna, consistent with law.

8.16 Trails. The trails located on the Property are to be used in a reasonable and safe manner subject to the following conditions and restrictions:

8.16.1 Trails shall be used exclusively for recreational purposes. No motorized vehicles or devices of any type shall be used on the trails, except for motorized wheelchairs and other devices of similar type and purpose for transporting handicapped persons.

8.16.2 The Association is responsible for enforcing trail use restrictions imposed by or pursuant to the Master Governing Documents, Master Rules, Governing Documents, and Rules. The Association shall maintain the trails located on the Property, except those trails located on the Master Common Elements or that extend and continue through or into more than one Neighborhood required to be maintained by the Master Association pursuant to the Master Declaration.

8.17 Fencing. Chain link fencing is prohibited unless screened from public view by landscaping and approved by the A.R.C. in accordance with Section 9. The A.R.C. shall establish standards for all fencing whether temporary or permanent within the Property.

8.18 Detached Garages. Detached garages shall be permitted only (i) on a Unit having a Dwelling with an attached garage, (ii) if the detached garage does not exceed six hundred (600) square feet and the total garage square footage, including attached garages does not exceed one thousand one hundred fifty (1,150) square feet, and (iii) with the prior approval of the A.R.C.

8.19 Time Shares Prohibited. The time share form of ownership, or any comparable form of lease, occupancy rights or ownership which has the effect of dividing the ownership or occupancy of a Unit into separate time periods or ownership intervals, is prohibited.

SECTION 9

ARCHITECTURAL STANDARDS

9.1 General. One of the purposes of this Declaration is to ensure that the Units and exteriors of the Dwellings located thereon be kept architecturally attractive in appearance. Accordingly, an Architectural Review Committee (the "A.R.C.") shall be established as a permanent committee of the Association to oversee, review and regulate all architectural and design matters involving the Property, except those matters delegated to the Master A.R.C. by Section 9.1.4 herein. The A.R.C. shall, subject to any exceptions, delegations or relinquishment contained in this Section 9, have the following general powers:

9.1.1 Except for the powers and rights delegated to the Master A.R.C. in Section 9.1.4 herein and subject to any specific requirements contained in this Section 9, the A.R.C. shall have the exclusive right to approve, approve with conditions or disapprove

the size, exterior design, color, materials, landscaping and location with respect to all Dwellings and Improvements.

9.1.2 The A.R.C. shall have the exclusive right to approve or disapprove all proposed additions or other changes to the exterior of any existing Dwelling or other existing Improvement; except for additions or other changes to a Dwelling or other Improvement by the Master Developer, a Neighborhood Developer or a Neighborhood Declarant, or their builders.

9.1.3 The A.R.C. may, in its sole discretion, impose standards for design, appearance, construction, or development of Improvements that are subject to approval by the A.R.C. which are greater or more stringent than standards prescribed by the Governing Documents, or by building, zoning, or other governmental laws, codes, or regulations; provided that such standards shall be consistent with the existing general architectural character in use of the Property.

9.1.4 The following general powers are delegated to the Master A.R.C.:

9.1.4.1 The Master A.R.C. may, in its sole discretion, establish standards for design, appearance, construction, or development of new Dwellings, new Auxiliary Dwellings or Improvement or landscaping associated with construction of a new Dwelling or Auxiliary Dwelling, which standards may be more stringent than standards prescribed by building, zoning, or other governmental laws, codes, or regulations; provided that such standards shall be consistent with the architectural character in use of the Property as planned and developed by the Master Developer.

9.1.4.2 The Master A.R.C. shall have the exclusive right to approve or disapprove the general plan for development of the Property.

9.1.4.3 The Master A.R.C. may appoint and delegate to an architectural advisory committee (the "A.A.C.") any powers or functions of the Master A.R.C., except for the power to make the final decisions with respect to the general plan for development of the Property and plans for or construction of a new Dwelling, new Auxiliary Dwelling or Improvements and landscaping associated with construction of a new Dwelling or new Auxiliary Dwelling.

9.1.4.4 The Master A.R.C. may, by a written document signed on behalf of the Master A.R.C. and the Board relinquish and delegate to the Board any, or part or all of the general powers of the Master A.R.C. The Board and any architectural committee appointed by it shall follow and be bound by the same approval procedures and standards as the Master A.R.C.

9.2 Architectural Review Committee. The A.R.C. shall be a permanent committee of the Association, and shall, to the extent not delegated to the Master A.R.C. pursuant to

Section 9.1.4 above, administer and perform the architectural and landscape review and control functions of the Association set forth in Section 9.1 above.

9.2.1 The A.R.C. shall initially consist of a minimum of three natural persons, who need not be Owners. The initial A.R.C. members shall all be appointed and replaced by the Developer, and shall hold office, for so long as the Developer has the right to subject Additional Property to the Declaration or owns an unsold Unit for sale. Prior to the expiration of the Developer's right to appoint the A.R.C. members, meetings of the A.R.C. may be called by the Developer or by the chair of the A.R.C.

9.2.2 Upon expiration or relinquishment of the Developer's right to appoint the A.R.C. members, the Master Board shall (i) determine how many persons shall serve on the A.R.C. (which shall be no fewer than three nor more than nine natural persons), (ii) appoint the members of the A.R.C., (iii) set reasonable terms of office for the members of the A.R.C., and (iv) determine which member of the A.R.C. shall serve as its chair. Meeting of the A.R.C. may be called at the discretion of the chair, and shall be called by the chair upon the request of a majority of the members.

9.2.3 A majority of the A.R.C. shall constitute a quorum to transact business at any committee meeting, and the action of a majority of those members present and voting shall constitute the action of the A.R.C.

9.3 Application and Approval Required. Except as otherwise authorized by this Section 9, no Improvement, except an Improvement approved by the Master A.R.C. pursuant to the delegation of authority in Section 9.1.4 above, shall be constructed, erected, removed, planted or maintained, nor shall any addition to or any change, replacement or alteration thereof be made, until plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and location of the Improvement shall have been submitted to and approved in writing by the A.R.C. Approval shall be requested by written application on such forms as may be required by the A.R.C. As part of the application process, two complete sets of plans and specifications, including site survey, prepared by an architect, landscape architect, engineer or other person found to be qualified by the A.R.C. shall be submitted. The A.R.C. may require submission of samples of building materials and colors proposed to be used. The applicant shall also apply for approval to the City or other governmental authority having jurisdiction over the subject of the application, if required by the governmental authority. If the information submitted to the A.R.C. is, in the A.R.C.'s sole opinion, incomplete or insufficient in any manner, the A.R.C. may require the submission of additional information.

9.4 General Standards. The A.R.C. has authority to approve, conditionally approve or deny an application, in its sole and absolute discretion. In making its determinations, the A.R.C. shall consider, at a minimum, the following general criteria:

9.4.1 Compatibility of color, size, location, type and design for high quality Dwellings and other Improvements.

9.4.2 Comparable or better quality of materials as used in existing buildings or other Improvements on the Property.

9.4.3 Minimum square footage requirements for single family detached Dwellings.

9.4.4 Adequate protection of the Property, the Association, Owners and Occupants from liability and liens arising out of the proposed alterations.

9.4.5 Compliance with governmental laws, codes, ordinances and regulations.

9.4.6 Preservation of existing trees and vegetation, and the lakes and wetlands located on or adjacent to the Property.

9.5 Notice of Decision. The A.R.C. shall approve, approve with conditions or disapprove the application and notify the applicant in writing within forty-five days following the receipt of the application and all other required information. The notice shall state the approval or denial of the application, or any qualifications or conditions of approval. If the A.R.C. disapproves the application, it shall state the grounds upon which the disapproval is based. Any applicant may appeal the decision of the A.R.C. to the Board within thirty days of the A.R.C.'S decision. The Board shall make its determination and notify the applicant within thirty days of receipt of the appeal. The determination of the Board shall be final and binding upon the applicant; provided, that no Improvement shall be erected or shall be allowed to remain which violates any of the covenants, conditions or restrictions contained in this Declaration, or which violates any governmental law, zoning or building ordinance, or regulation.

9.6 Exceptions and Variances. The A.R.C. may, in its sole discretion, grant variances from the requirements contained in Section 9 or otherwise established by the A.R.C., on a case by case basis; provided, that the variance sought (i) involves unique circumstances, (ii) is reasonable, (iii) does not impose a hardship upon other Owners, and (iv) does not violate the PUD Agreement, any governmental law, ordinance, code or regulation. The granting of such a variance by the A.R.C. shall not nullify or otherwise affect the A.R.C.'s right to require a strict compliance with its requirements on any other occasion.

9.7 Inspection and Remedies. The A.R.C., and any agent or member of the A. R.C., has the right of entry and inspection upon any portion of the Property for the purpose of determining whether there is compliance with the applicable architectural standards. If any Person fails to comply with the requirements of the Declaration or the standards promulgated by the A.R.C., the violator shall pay all costs in connection with the resolution or correction of the violation, including without limitation any fees of attorneys or other professionals, incurred by the Association. The A.R.C. may, in addition to its other remedies, record against the Unit, in the public records of the county, a Certificate of Noncompliance stating that the Improvements fail to meet applicable architectural standards.

9.8 Review Fees. The A.R.C. may adopt a schedule of reasonable fees for processing applications for architectural approval. The fees, if any, shall be payable to the Association at the time that the application is submitted to the A.R.C. The fees, as well as other expenses of the A.R.C. required to be paid, shall be deemed to be an Assessment against the Unit with respect to which the application is made.

9.9 Developer Exemption. Notwithstanding anything contained herein to the contrary, any Improvements of any nature at any time made or approved by the Master Developer or the Developer, including, without limitation, Improvements made or to be made to the Common Elements, Property or Additional Property will not be subject to the review or other procedures of the A.R.C, but such Improvements shall comply with the plan of development approved by the City.

9.10 No Representation of Compliance/Indemnification. Approval of plans and specifications by the A.R.C. does not represent or guaranty that the plans and specifications will, if followed, result in properly designed Improvements, nor that any Dwelling or other Improvement built in accordance therewith is built in a good and workmanlike manner. The Developer, the Association, and the A.R.C. are not liable for any defects in any plans or specifications submitted or approved; any loss or damages to any person arising out of the approval or disapproval of any plans or specifications; any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances or regulations; nor any defects in construction undertaken pursuant to such plans and specifications. Each Person submitting an application for approval is solely responsible for the sufficiency of the plans and specifications submitted and for the quality of construction of the Improvements constructed, and shall hold harmless, indemnify and defend the Developer, the Association, the A.R.C. and their respective officers, directors, committee personnel and agents, from and against all claims, damages and other liabilities arising out of the approval or construction of the Improvements to which the application relates.

9.11 Additional Standards. The A.R.C. is authorized to promulgate from time to time additional written architectural standards, guidelines and other regulations governing the construction, location, landscaping and design of Improvements subject to the approval by the A.R.C., the contents of plans and specifications, and other information required to comply with this Section 9. Any such publications by the A.R.C. shall be binding and enforceable against all Persons with the respect to all Improvements subject to approval by the A.R.C.

SECTION 10

MAINTENANCE

10.1 Maintenance by Association. The maintenance obligations of the Association are as follows:

10.1.1 The Association shall maintain the Common Elements (if any), and any Neighborhood entrance signs and monuments which serve the Property and are not maintained by the Master Association.

10.1.2 The Association may in its discretion, undertake the maintenance of landscaping, lawns, irrigation systems, walks or driveways located within the yard areas of the Units.

10.2 Maintenance by Owner. The maintenance obligations of the Owners are as follows:

10.2.1 Subject to Section 10.1, all maintenance of the Dwelling, Unit and all improvements located within the Unit shall be the sole obligation and expense of the Owner of the Unit. Exterior maintenance for which the Owner is obligated must be performed in accordance with the standards established by the Association.

10.2.2 The Owners shall mow and otherwise maintain the boulevards adjacent to their Units, including but not limited to maintaining, trimming and replacing trees located in the boulevard adjacent to their respective Units.

10.2.3 The Owners shall maintain (i) the Shoreline Conservation Easement Area in accordance with the terms and requirements set forth in the Shoreline Conservation Easement and (ii) the Shoreline Conservation Easement Permanent Monuments placed at the Owner's Unit lot line in the Shoreline Conservation Easement Area to delineate the Shoreline Conservation Easement Area.

10.2.4 The Owners shall be responsible for snow removal from public sidewalks adjacent to their respective Units.

10.2.5 The Owners shall maintain, repair and replace, if necessary, the public sidewalks located within or adjacent to their respective Units.

10.2.6 Any easement area within a Unit, including all improvements thereon or therein, shall be continuously maintained by the Owner or Occupant of the Unit, except for those improvements for which a public authority or utility company is responsible.

10.2.7 Notwithstanding anything to the contrary in the Governing Documents, the expense of any maintenance, repair or reconstruction of the Property or other areas maintained by the Master Association necessitated by the acts or omissions of an Owner or Occupant shall be paid by the responsible Owner.

SECTION 11

INSURANCE

11.1 Required Coverage. The Association shall obtain and maintain, at a minimum, a master policy or policies of insurance in accordance with the insurance requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the state of Minnesota, as follows:

11.1.1 Property insurance in broad form covering all risks of physical loss in an amount equal to one hundred percent of the insurable "replacement cost" of Improvements (if any) which the Association is obligated to maintain, less deductibles, exclusive of land and other items normally excluded from coverage. The policy or policies shall also cover personal property owned by the Association.

11.1.2 Comprehensive public liability insurance covering the Common Elements (if any), and the use, operation and maintenance of lands or Improvements which the Association is obligated to maintain against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in type, location and use to the Property. The policy shall have minimum limits of One Million Dollars per occurrence. The policy shall, if reasonably available, contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner or Occupant because of negligent acts of the Association or other Owners or Occupants.

11.1.3 Insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or other persons responsible for handling funds belonging to or administered by the Association, if deemed to be advisable by the Board or required as a precondition to the purchase, insuring or financing of a mortgage on a Unit. The insurance shall name the Association and the Master Association as insured's, as their interests may appear.

11.1.4 Workers' Compensation insurance as required by law.

11.1.5 Such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners.

11.2 Premiums; Improvements: Deductibles. All insurance premiums shall be assessed and paid as annual Assessments, and allocated among the Units as determined by the Board consistent with the Governing Documents. The Association may, in the case of a claim for damage or personal injury with respect to Improvements (if any) which the Association maintains (i) pay the deductible amount as a Common Expense, (ii) assess the deductible amount against the Units affected in any reasonable manner, or (iii) require the Owners of the Units affected to pay the deductible amount directly.

11.3 Loss Payee: Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to, the Association (or a qualified insurance trustee selected by it) as trustee for the benefit of the Owners and mortgagees which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate, settle and collect upon any claims or losses under any insurance policy maintained by the Association. Subject to Section 12.1.4, the Association, or any insurance trustee selected by it, shall use the proceeds from property insurance on a damaged Improvement solely to repair and reconstruct the damaged Improvement, and not for any other purpose.

11.4 Required Policy Provisions. All policies of property insurance carried by the Association shall, if such provisions are reasonably available, provide that:

11.4.1 Each Owner and Unit mortgagee is an insured Person under the policy with respect to liability arising out of the Owner's interest or membership in the Association.

11.4.2 The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household and against the Master Association and the Association and members of the Master Board and the Board.

11.4.3 No act or omission by any Owner or mortgagee of a Unit, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.

11.4.4 If at the time of a loss under the policy there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy is primary insurance (subject to Section 11.2).

11.5 Cancellation: Notice of Loss. All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be canceled or substantially modified, for any reason, without at least thirty days' prior written notice to the Master Association, and all of the insured's.

11.6 Restoration in Lieu of Cash Settlement. All policies of property insurance maintained by the Association shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any insurance trustee) or (ii) when in conflict with provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

11.7 Owner's Personal Insurance. It is the obligation of each Owner to obtain personal insurance coverage at his or her own expense covering fire and other casualty to the Owner's Dwelling and other insurable Improvements located within the Owner's Unit, and public liability insurance covering the Owner's Unit. All insurance policies maintained by

Owners shall, if possible, provide that they are without contribution as against any insurance purchased by the Association, except as to deductibles under Section 11.2.

SECTION 12

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

12.1 Reconstruction. In the event of a casualty on or to any portion of the Property, the obligations and procedures for the repair, reconstruction or disposition of the damaged Improvements shall be governed by the following provisions:

12.1.1 All repair and reconstruction of the damaged Improvements shall be commenced promptly following the casualty and shall be carried through diligently to conclusion. The Association shall be responsible for the repair and reconstruction of Common Element Improvements (if any) and the Owners shall be responsible for the repair and reconstruction of Improvements to their respective Units.

12.1.2 All repair and reconstruction shall be approved pursuant to Section 9. The repair and reconstruction shall be in accordance with the requirements of all applicable zoning, subdivision, building, and other governmental regulations.

12.1.3 Notice of substantial damage or destruction to any portion of the Property shall be promptly given to the Association by the Owner of the damaged Improvements.

12.1.4 Notwithstanding the foregoing, repair and reconstruction of a Dwelling or Auxiliary Dwelling need not be undertaken if the Association, the Owner and the Owner's mortgagee agree in writing that the damaged improvements need not be repaired and reconstructed. If such an agreement is made, the ruins and debris of any damaged Improvements shall promptly be cleared away and the damaged portion of the Property shall be left in an orderly, safe and sightly condition.

12.2 Condemnation and Eminent Domain. In the event of a taking of any part of the Common Elements (if any) by condemnation or eminent domain, the Association shall have authority to act on behalf of the Owners in all proceedings, negotiations and settlement of claims. AH proceeds shall be payable to the Association to hold and distribute for the benefit of the Owners and their mortgagees, as their interests may appear. With respect to the taking of all or part of a Unit, the Owner of the Unit shall negotiate and settle all claims, subject to the rights of any mortgagee of the Unit

SECTION 13

EASEMENTS

Each Unit and the Common Elements (if any), and the rights of the Owners and Occupants therein, shall be subject to (i) the appurtenant easements and rights granted and reserved in the Master Declaration and (ii) the appurtenant easements and rights granted and reserved in this Section 13, and (Hi) other appurtenant easements and rights of record as referenced herein.

13.1 Shoreline Conservation Easement. There is filed for record with the Wright County Recorder's Office a nonexclusive conservation easement (the "Shoreline Conservation Easement"), as that term is defined in Minnesota Statutes Section 84C.01, in favor of the City, over, under, and across part of the Property that is contiguous to the shorelines of School Lake and Mud Lake as described in the recorded easement instrument ("Shoreline Conservation Easement Area") for the purpose of preserving the native trees, grasses and shrubs within the Shoreline Conservation Easement Area. Cutting, removing or altering the native vegetation, including but not limited to trees, grasses and shrubs, and the use of fertilizer or pesticides within the Shoreline Conservation Easement Area is prohibited.

13.2 Access Easements. Each Unit is the beneficiary of a non-exclusive easement for access to a public street or highway on or across those portions of the Master Common Elements or Common Elements (if any) designated for use as streets or trails, as shown on the Plat or otherwise designated by the Master Association or the Association, subject to any restrictions imposed pursuant to the Master Governing Documents or Governing Documents.

13.3 Use and Enjoyment Easements. Each Unit is the beneficiary of a nonexclusive easement for use and enjoyment on and across the Master Common Elements or Common Elements (if any), subject to any restrictions authorized or imposed pursuant to the Master Governing Documents or Governing Documents.

13.4 Easement for Encroachments. If there is a minor encroachment by a Dwelling, or other Improvement onto another Unit or the Common Elements as a result of the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, an appurtenant easement for the encroachment, for the use, enjoyment and habitation of the encroaching Dwelling or other Improvement, and for the maintenance thereof, shall exist; provided, that with respect to Improvements added pursuant to Section 9, no easement shall exist unless the same have been approved, and the proposed Improvements constructed, as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

13.5 Easement for Maintenance. Repair. Replacement and Reconstruction. Each Unit, and the rights of the Owners and Occupants thereof, are subject to the rights of the Association and the Master Association to an exclusive, appurtenant easement on and over the yard areas of Units for the purposes of access to and maintenance, repair, replacement and

reconstruction of utilities and other common Improvements serving more than one Unit, to the extent necessary to fulfill the Association's or Master Association's obligations.

13.6 Utility Easements. The Property is subject to non-exclusive, appurtenant easements in favor of all public utility companies and other utility providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV, telephone, data and other electronic communications, water, sewer, septic systems, wells, and similar services, and metering and control devices, which exist or are constructed as part of the development of the Property, or which are referred to in the Plat or otherwise described in this Declaration or any other duly recorded instrument. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive, appurtenant easement in favor of the other Units for all such utilities and services; provided, that the utilities and services shall be installed, used, maintained and repaired so as not to interfere with the reasonable use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Units or Dwellings.

13.7 Trail Easements. Certain of the Common Elements (if any) may be subject to public trail easements as described in the Master Declaration or in other recorded easement instruments.

13.8 Alley Easements. Certain Units are subject to and are the beneficiary of an easement for the benefit of those Units, the Owners and Occupants of such Units and the invitees of such Owners and Occupants, for alley, vehicular access and maneuvering purposes, pedestrian access and walkway purposes over and across portions of the Units which are paved or intended to be paved or otherwise surfaced, now or in the future, by Master Developer for use as an alley and maneuvering area for the exclusive benefit of the Units upon which the alley is located. The Master Association also has an easement over the alley for the purpose of performing repairs, replacement and maintenance of the alleys.

13.9 Developer and Master Developer's Easements. Developer shall have and be the beneficiary of exclusive easements for the exercise of its Developer Rights, and the Master Developer shall have easements as described in the Master Governing Documents.

13.10 Master Association and Association Access. There is an exclusive easement in favor of the Master Association and the Association, including without limitation any management agent or service vendor retained by the Master Association or the Association, for access on and across the Property and the yard areas of Units, for the purpose of (i) performing the Master Association's or the Association's obligations under the Master Governing Documents or Governing Documents, (ii) to maintain, repair and replace any retaining wall or barrier that supports, affects or impacts Master Common Elements or Common Elements (if any), (iii) to maintain, repair and replace any retaining wall or barrier that is a continuation of any retaining wall required to be maintained by the Master Association or the Association or that is partially located across Master Common Elements or Common Elements (if any), and (iv) to mow or otherwise maintain the street side of a landscape berm located adjacent to a public street, lane or thoroughfare. Except in the event

of emergencies, this easement shall be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant directly affected.

13.11 Emergency Access to Units. In case of emergency, the yard areas of all Units are subject to an easement for access, without notice and at any time, by officers or members of the Board and the Master Board, by the Association's management agents, or by any public safety personnel.

13.12 Project Sign Easements. Developer or Master Developer, as applicable, shall have the right to erect and maintain monument signs and related Improvements identifying the Neighborhood and the Development Area, on Units subject to sign easements and on adjoining City-owned land if permitted by the applicable City. Those parts of the Property on which monument signs or related decorative Improvements are located are subject to appurtenant, exclusive easements in favor of the Association or Master Association for the continuing use, maintenance, repair and replacement of said signs and related Improvements. Any Person exercising the rights granted under said easements shall take reasonable care to avoid damaging the improvements to the Property and shall repair any damage caused by it.

13.13 Other Easements. The Property is subject to such other easements as may be recorded against it or otherwise shown on the Plat.

13.14 Continuation. Scope and Conflict of Easements. Notwithstanding anything in this Declaration to the contrary, no Owner or Occupant shall be denied reasonable access to his or her Unit or the right to utility services thereto. The easements set forth in this Section shall supplement and not limit any easements described elsewhere in this Declaration or the Master Declaration, or otherwise recorded, and shall include reasonable access to the easement areas through the yard areas of Units and the Common Elements for purposes of maintenance, repair, replacement and reconstruction. In the event of a conflict between the easements and rights provided by this Section and by the Master Declaration, the Master Declaration shall control.

13.15 Easements are Appurtenant. All easements and similar rights burdening or benefiting a Unit or any other part of the Property shall run with the land, and shall be permanent, subject only to termination in accordance with law or the terms of the easement. Any recorded easement benefiting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration or the Master Declaration.

13.16 Impairment Prohibited. No person shall materially restrict or impair any easement benefiting or burdening the Property, subject to the Declaration and the right of the Master Association to establish and enforce reasonable Rules governing the use of the Property.

13.17 Benefit of Easements. All easements benefiting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests. However, an Owner who has

delegated the right to occupy the Unit to an Occupant or Occupants, whether by a lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except as a guest of an Owner or Occupant or in connection with the inspection of the Unit or recovery of possession of the Unit from the Occupant pursuant to law.

SECTION 14

COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents and the Rules, and such amendments thereto as may be made from time to time, and the decisions of the Association and the Master Association with respect to matters over which each has authority.

14.1 Entitlement to Relief. Legal relief may be sought by the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Governing Documents, the Rules, the Act or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association, nor take or omit other action in violation of the Governing Documents, the Rules or the Act, as a measure to enforce such Owner's position, or for any other reason. The Master Association may also exercise the rights and remedies granted or reserved to it by the Master Governing Documents.

14.2 Remedies. In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Governing Documents, the Rules or the Act:

14.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

14.2.2 Impose late charges of up to the greater of twenty dollars or fifteen percent of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the first month after the Assessment or installment was due.

14.2.3 In the event of default of more than thirty days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees, costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. Not less than ten days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

14.2.4 Impose reasonable fines, penalties or charges for each violation of the Governing Documents or the Rules.

14.2.5 Suspend the rights of any Owner to vote when the Assessments due with respect to the Owner's Unit are past due, and suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities (if any); provided, that the suspension of use rights shall not apply to those portions of the Common Elements (if any) providing utilities service and access to the Unit. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Governing Documents, and for up to thirty days thereafter, for each violation.

14.2.6 Restore any portions of the Common Elements damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Units.

14.2.7 Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Governing Documents.

14.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Sections 14.2.4 or 14.2.5, the Board shall, upon written request of the offender, grant to the offender an opportunity for a fair and equitable hearing. The Association shall give to the offender written notice of the nature of the violation and the right to a hearing, and the offender shall be given at least ten days within which to request a hearing. The hearing shall be scheduled by the Board and held within thirty days of receipt of the hearing request by the Board, and with at least ten days' prior written notice to the offender. If the offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within ten days following the hearing, if not delivered to the offender at the hearing.

14.4 Lien for Charges. Penalties. Etc. Any Assessments, charges, fines, expenses, penalties or interest imposed under this Section shall be a lien against the Unit of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as Assessments under Section 7. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.

14.5 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Governing Documents or Rules, whether or

not finally determined by a court or arbitrator, the Association may assess the violator and his or her Unit with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of such Owner and shall be a lien against such Owner's Unit.

14.6 Liability for Owners' and Occupants' Acts. An Owner shall be liable for the expense of any maintenance, repair or replacement of any part of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

14.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Master Governing Documents, the Governing Documents, the Master Rules, the Rules or the Act as provided therein.

SECTION 15

AMENDMENTS

15.1 Approval Requirements. Except for amendments by Developer pursuant to Section 16, this Declaration may be amended only by the approval of:

15.1.1 Owners who have the authority to cast at least sixty-seven percent of the total votes in the Association, except that any amendment which changes the basic allocation of voting rights and Common Expense obligations described in Section 5.2 of this Declaration shall require unanimous approval.

15.1.2 The Master Board as to any amendment which affects the Association's relationship to the Master Association, or any rights or obligations relating to the Master Association.

15.1.3 Developer and Master Developer as to certain amendments as provided in Section 16.

15.1.4 The City as to any amendment which adversely affects its rights or obligations under this Declaration or the PUD Agreement.

15.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Other required approvals shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Master Governing Documents or the Act. The amendment shall be effective when recorded in the office of the appropriate recording office in the county in which the Property is located. An affidavit by the President or Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment. Owners shall cooperate to make available their owners duplicate certificates of title in connection with the recording of the amendment, if necessary.

SECTION 16

DEVELOPER RIGHTS

Developer hereby reserves the exclusive authority to exercise the following rights for as long as it owns a Unit or has an unexpired right to add Additional Property, or for any shorter period indicated:

16.1 Complete Improvements. To complete all the Dwellings and other Improvements included in Developer's development plans or allowed by the Declaration or Master Declaration, and to make Improvements in the Units and Common Elements, to accommodate the exercise of any Developer rights.

16.2 Sales Facilities. To construct, operate and maintain a sales office, management office, model Dwellings and other development and sales facilities within the Common Elements (if any), and within any Units owned by Developer or authorized builders from time to time.

16.3 Signs. To erect and maintain signs and other sales displays offering the Units for sale or lease, in or on any Unit owned by Developer or authorized builders, and on the Common Elements (if any).

16.4 Easements. To have and use easements, for itself, its employees, contractors, builders, representatives, agents and prospective purchasers through and over the Common Elements and the yard areas of the Units for the purpose of exercising its rights under this Section.

16.5 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board, until the earliest of: (i) voluntary surrender of control by Developer, (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than a Developer of seventy-five percent of the total number of Units authorized to be included in the Property or (iii) the date five years following the date of the first conveyance of a Unit to an Owner other than Developer.

16.6 Consent to Certain Amendments. Developer's written consent shall be required for any amendment to the Governing Documents or Rules which affect Developer's rights or the rights of authorized builders under the Governing Documents. The consent of Master Developer shall also be required as to certain matters referred to in the Master Declaration or as to any amendment which affects Master Developer's rights or obligations.

16.7 Additional Real Estate. Developer may unilaterally add part or all of the Additional Real Estate to the Property pursuant to Section 17, subject to the consent of any other owner thereof.

Subject to the prior written approval of Master Developer, Developer may assign or license, in whole or in part, the rights described in Sections 16.1 through 16.4 to other developers or to builders by an agreement signed by Developer and the other party.

SECTION 17

RIGHTS TO ADD ADDITIONAL PROPERTY, RELOCATE BOUNDARIES AND SUBDIVIDE UNITS

17.1 Developer's Rights to Add Additional Property. Developer reserves the exclusive authority to add the Additional Property to the Property, by executing (together with any other owner of the parcel) and recording an amendment to this Declaration adding such property, subject to the following conditions:

17.1.1 The right of Developer to add the Additional Property to Property shall terminate ten years after the date of recording of this Declaration or upon earlier express written withdrawal of such right by Developer or a successor Developer, unless extended by a vote of the Owners. There are no other limitations on Developer's rights hereunder, except as may be imposed by law.

17.1.2 The Additional Property is described in Exhibit B, and may include up to 1,000 additional Units. The Additional Property may be added to the Property in parcels consisting of one or more platted lots, or portions thereof, with or without Common Elements.

17.1.3 There are no assurances as to the times at which any part of the Additional Property will be added to the Property, the order in which it will be added, the number of parcels per phase nor the size of the parcels. Developer has no obligation to add the Additional Property to the Property. The Additional Property may be developed by Developer or its affiliates or successors in interest for other purposes, subject only to approval by the appropriate governmental authorities.

17.1.4 All Units created on the Additional Property shall be restricted exclusively to residential use.

17.1.5 The provisions of this Declaration affecting the use, occupancy and alienation of Units shall apply to all Units created on the Additional Property.

17.1.6 An amendment to the Master Declaration subjecting the Additional Property to the Master Declaration shall be recorded upon or before the recording of the amendment to this Declaration adding said Additional Property.

17.2 Rights to Relocate Boundaries and Subdivide Units. Unit boundaries may be relocated and additional Units may be created by the subdivision of a Unit into two or more Units, by Developer, subject (i) to approval by the City and (ii) to the requirements of the Master Declaration.

SECTION 18

MISCELLANEOUS

18.1 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this Declaration or exhibits attached hereto.

18.2 Construction. Where applicable the masculine gender of any word used herein shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof.

18.3 Notices. Unless specifically provided otherwise in the Master Governing Documents, the Governing Documents or the Act, all notices authorized or required to be given under the Governing Documents shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 of the By-Laws shall be effective upon receipt by the Association.

18.4 Conflicts Among Documents. In the event of any conflict among the provisions of the Master Governing Documents, the Declaration, the Bylaws or the Rules, the Master Governing Documents shall control. As among the Declaration, the Bylaws or the Rules, the Declaration shall control. As between the Bylaws and the Rules, the Bylaws shall control. The Master Rules shall control as against the Rules with respect to those matters within the authority of the Master Association.

18.5 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination (i) by the affirmative vote of eighty percent of the votes in the Association, eighty percent of the holders of first mortgages on Units (one vote per mortgage held), and the written approval of

Master Developer or Developer (as applicable) for so long as the applicable party owns a Unit for sale, or (ii) by court order.

TOWNE LAKE TRADITIONAL HOMES

EXHIBIT A TO DECLARATION

DESCRIPTION OF PROPERTY

All of that property located in the County of Wright, State of Minnesota, described as follows:

Lots 1 through 6, Block 1; Lots 1 through 3, Block 2; Lots 1 through 7, Block 3; Lots 1 through 6, Block 4; Lots 2 through 5, Block 5; Lots 1 through 5, Block 6; Lots 1 through 7, Block 7; and Lots 1 through 5, Block 8, as shown on the plat for Towne Lakes recorded with the County Recorder for Wright County, Minnesota.

TOWNE LAKE TRADITIONAL HOMES

EXHIBIT B TO DECLARATION

DESCRIPTION OF ADDITIONAL PROPERTY

All of that property located in the County of Wright, State of Minnesota, legally described as follows:

Lot 1, Block 5; Outlet I; and Park 2; as shown on that plat of Towne Lakes as recorded with the County Recorder for Wright County, Minnesota; and

Section 36, Township 121, Range 24, but excluding that property platted as Towne Lakes pursuant to that plat of Towne Lakes recorded with the County Recorder for Wright County, Minnesota; and

The West V4 of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 31, Township 121, Range 23.

TOWNE LAKE TRADITIONAL HOMES
EXHIBIT C TO DECLARATION
DESCRIPTION OF COMMON ELEMENTS

There are no Common Elements as of the date of recording this Declaration but Common Elements may be added pursuant to Section 2.2 of this Declaration.

TOWNE LAKE TRADITIONAL HOMES

EXHIBIT D TO DECLARATION

DESCRIPTION OF UNITS

Lots 1 through 6, Block 1; Lots 1 through 3, Block 2; Lots 1 through 7, Block 3; Lots 1 through 6, Block 4; Lots 2 through 5, Block 5; Lots 1 through 5, Block 6; Lots 1 through 7, Block 7; and Lots 1 through 5, Block 8; as shown on the plat for Towne Lakes recorded with the County Recorder for Wright County, Minnesota.

TOWNE LAKE TRADITIONAL HOMES

AFFIDAVIT OF SECRETARY

STATE OF MINNESOTA)
)ss.
COUNTY OF Hennepin)

The undersigned, Secretary of Towne Lakes Community Association, a Minnesota non-profit corporation (the "Association"), being first duly sworn on oath, hereby swears and certifies, that this instrument has been duly approved by the Master Board (as defined in the Original Declaration) in compliance with the requirements of the Original Declaration.

J. Michael Waldo
Title: Secretary

STATE OF MINNESOTA)
)ss.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 17th day of June, 2002, by J. Michael Waldo, Secretary of Towne Lakes Community Association, on behalf of the Association.



Krista M. Volk
Notary Public

800552

Doc. No. A 887389

OFFICE OF THE COUNTY RECORDER
WRIGHT COUNTY, MINNESOTA

Certified Filed and/or Recorded on
12-04-2003 at 11:45

Check #: 84493 Fee: \$ 20.00
Payment Code 02
Addl. Fee

Larry A. Unger, County Recorder

(Above space reserved for recording data)

**CONSENT AND JOINDER TO DECLARATION
(INDIVIDUAL OWNER)**

TOWNE LAKE TRADITIONAL HOMES

The undersigned, the owner(s) of Lot 5 , Block 1 , Towne Lakes, Wright County, Minnesota, hereby consent to that Towne Lake Traditional Homes Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of the Wright County Recorder as Document No. 791008, as amended and restated by the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Towne Lake Traditional Homes recorded in the office of the Wright County Recorder as Document No. 800552; provided, that by executing this Consent and Joinder, the undersigned do not in any manner constitute themselves or obligate themselves as a Developer as defined in said Declaration as amended by the Amended and Restated Declaration.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be executed on the 24 day of Aug., 2003.

RETURN TO: *encl*
LAND TITLE, INC.
SUITE 200
15005 TOWNE LAKE ROAD
NEW BRIGHT, MN 55112
FILE NO. 232020

Daniel I. Untiedt

Daniel I. Untiedt
Virginia K. Untiedt

Virginia K. Untiedt

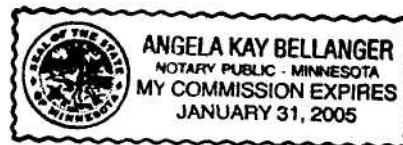
STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 24th day of AUGUST, 2003, by Daniel I. Untiedt and Virginia K. Untiedt.

THIS INSTRUMENT WAS DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P.A.
J. Patrick Brinkman, Esq.
225 South Sixth Street, Suite 4200
Minneapolis, MN 55402
(612)373-8420

Angela W. Bellanger

Notary Public



Doc. No. A 887393

OFFICE OF THE COUNTY RECORDER
WRIGHT COUNTY, MINNESOTA

Certified Filed and/or Recorded on
12-04-2003 at 11:45

Check #: 84493 Fee: \$ 30.00
Payment Code 02
Addl. Fee NS

Larry A. Unger, County Recorder

(Above space reserved for recording data)

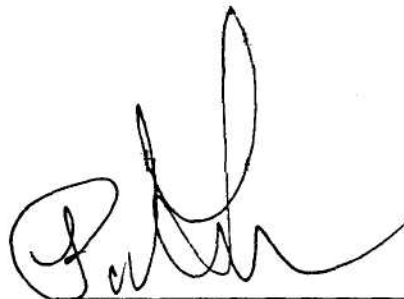
**CONSENT AND JOINDER TO DECLARATION
(INDIVIDUAL OWNER)**

TOWNE LAKE TRADITIONAL HOMES

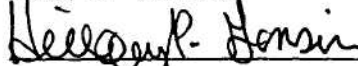
The undersigned, the owner(s) of Lot 4 , Block 4 , Towne Lakes, Wright County, Minnesota, hereby consent to that Towne Lake Traditional Homes Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of the Wright County Recorder as Document No. 791008, as amended and restated by the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Towne Lake Traditional Homes recorded in the office of the Wright County Recorder as Document No. 800552; provided, that by executing this Consent and Joinder, the undersigned do not in any manner constitute themselves or obligate themselves as a Developer as defined in said Declaration as amended by the Amended and Restated Declaration.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be executed on the 14th day of October, 2003.

RETURN TO; LAND TITLE, INC.)
SUITE 200
1900 SILVER LAKE ROAD
NEW BRIGHTON, MN 55112
FILE NO. 232020



Paul A. Gonsior




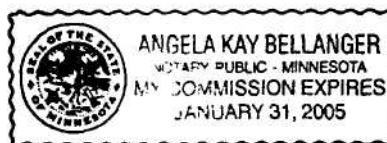
Hillary P. Gonsior

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 14th day of October, 2003, by Paul A. Gonsior , and Hillary P. Gonsior.

THIS INSTRUMENT WAS DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P.A.
J. Patrick Brinkman, Esq.
225 South Sixth Street, Suite 4200
Minneapolis, MN 55402
(612)373-8420



Notary Public

887393

Doc. No. A 887394

OFFICE OF THE COUNTY RECORDER
WRIGHT COUNTY, MINNESOTA

Certified Filed and/or Recorded on
12-04-2003 at 11:45

Check #: 84493 Fee: \$ 30.00

Payment Code 02

Addl. Fee NS

Larry A. Unger, County Recorder

(Above space reserved for recording data)

CONSENT AND JOINDER TO DECLARATION
(INDIVIDUAL OWNER)

TOWNE LAKE TRADITIONAL HOMES

The undersigned, the owner(s) of Lot 4 , Block 5 , Towne Lakes, Wright County, Minnesota, hereby consent to that Towne Lake Traditional Homes Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of the Wright County Recorder as Document No. 791008, as amended and restated by the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Towne Lake Traditional Homes recorded in the office of the Wright County Recorder as Document No. 800552; provided, that by executing this Consent and Joinder, the undersigned do not in any manner constitute themselves or obligate themselves as a Developer as defined in said Declaration as amended by the Amended and Restated Declaration.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be executed on the 20th day of October, 2003.

RETURN TO:
LAND TITLE, INC. *envel*
SUITE 200
1900 SILVER LAKE ROAD
NEW BRITAIN, MN 55112
FILE NO. 232020

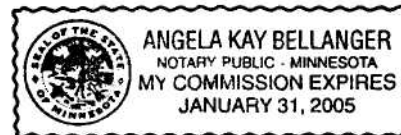
Kirk D. Risberg
Kirk D. Risberg
Maria M. Risberg
Maria M. Risberg

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 20th day of October, 2003, by Kirk D. Risberg and Maria M. Risberg.

Angela K. Bellanger
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P.A.
J. Patrick Brinkman, Esq.
225 South Sixth Street, Suite 4200
Minneapolis, MN 55402
(612)373-8420



887394

Doc. No. A 887396

OFFICE OF THE COUNTY RECORDER
WRIGHT COUNTY, MINNESOTA

Certified Filed and/or Recorded on
12-04-2003 at 11:45

Check #: 84493 Fee: \$ 20.00
Payment Code 02
Addl. Fee

Larry A. Unger, County Recorder

(Above space reserved for recording data)

CONSENT AND JOINDER TO DECLARATION
(INDIVIDUAL OWNER)

TOWNE LAKE TRADITIONAL HOMES

The undersigned, the owner(s) of Lot 5 , Block 8 , Towne Lakes, Wright County, Minnesota, hereby consent to that Towne Lake Traditional Homes Declaration of Covenants, Conditions, Restrictions and Easements recorded in the office of the Wright County Recorder as Document No. 791008, as amended and restated by the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Towne Lake Traditional Homes recorded in the office of the Wright County Recorder as Document No. 800552; provided, that by executing this Consent and Joinder, the undersigned do not in any manner constitute themselves or obligate themselves as a Developer as defined in said Declaration as amended by the Amended and Restated Declaration.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be executed on the 22nd day of August, 2003.

RETURN TO:

LAND TITLE, INC. ^{encl}
SUITE 200
1900 SILVER LAKE ROAD
NEW BRIGHTON, MN 55112
FILE NO. 23020

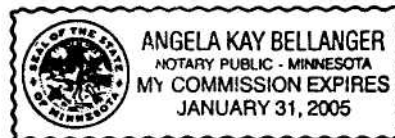
Robert J. Bros
Robert J. Bros
Janice E. Bros
Janice E. Bros

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 22nd day of AUGUST, 2003, by Robert J. Bros and Janice E. Bros.

Angela W. Bellanger
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
FELHABER, LARSON, FENLON & VOGT, P.A.
J. Patrick Brinkman, Esq.
225 South Sixth Street, Suite 4200
Minneapolis, MN 55402
(612)373-8420



887396